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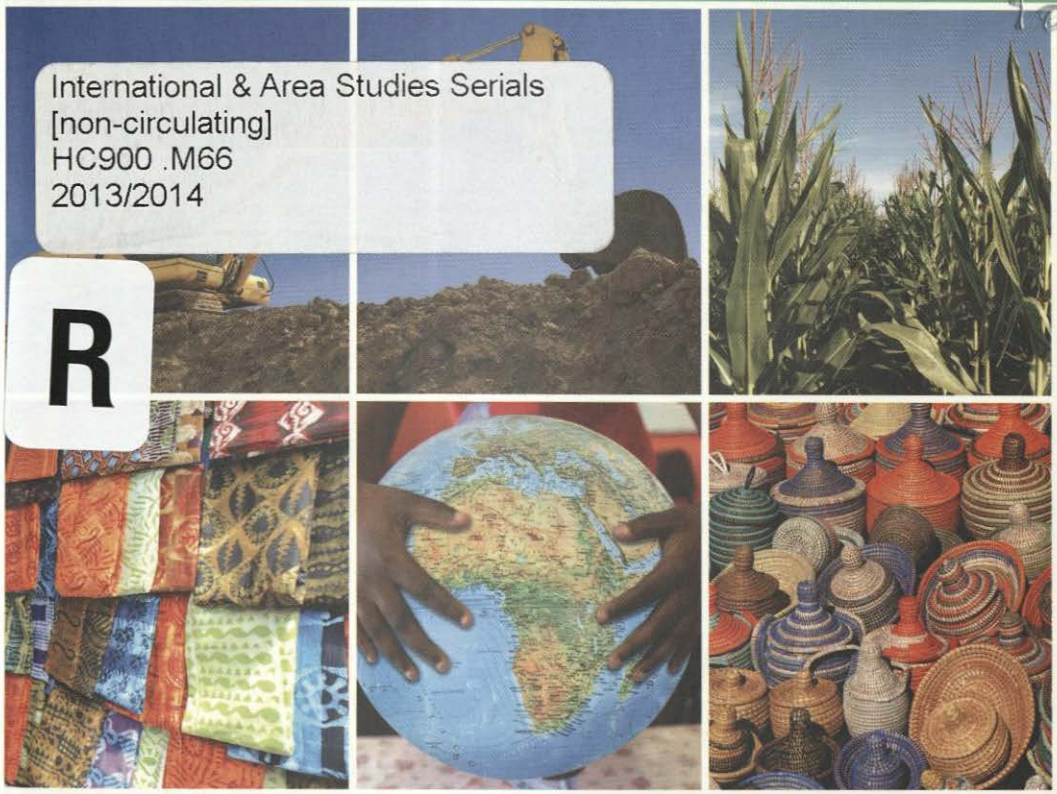

Monitoring Regional Integration

Editors: André du Pisani • Gerhard Erasmus • Trudi Hartzenberg • Colin McCarthy

Monitoring Regional Integration in Southern Africa

Yearbook 2013/2014

Edited by André du Pisani,
Gerhard Erasmus, Trudi Hartzenberg
and Colin McCarthy

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Trade Law Centre (tralac)
P.O. Box 224, Stellenbosch
South Africa
Tel. +27-21-880 2010
Fax +27-21-880 2083
info@tralac.org
http://www.tralac.org

Konrad-Adenauer-Stiftung
P.O. Box 1145, Windhoek
Namibia
Tel. +264-61-22 55 68
Fax +264-61-22 56 78
info@kas-namibia.org
http://www.kas.de/namibia

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Foreword

Regional and especially economic integration holds potential and strong benefits for Africa. But this is true only if Africa could succeed in identifying a successful formula to counter challenges confronting the project of regional integration. I call it a project because it is, and, according to existing and new evidence available, will remain work in progress for the foreseeable future. Such challenges include capacity issues, financial and resources concerns, expertise, overlapping membership of Regional Economic Communities and, most importantly, the political will to succeed with the project.

The subject of regional integration and the topics it comprises are complex issues that need time to study and research. A platform to discuss and present findings of such work is necessary and always crucial, now more than ever. The Monitoring Regional Integration Yearbook, now in its 13th edition, is therefore necessary. It is for this reason that the Konrad Adenauer Foundation is pleased to be associated with the yearly publication.

This 13th edition of the publication critically examines strengths and weaknesses in the development of southern Africa as a region. It also reveals interesting findings and data about issues confronting the region as it struggles to find its feet in the challenging process of regional integration.

This annual publication has now become a household name in the region as it has made a mark as one of the best publications to consult on issues related to regional integration. It therefore serves as a reliable source of reference for students, academics, researchers, analysts, policy-and-decisionmakers, as well as other interested people, across the region and beyond.

The Konrad-Adenauer-Foundation is proud to be part of this successful undertaking that also marks the length and strength of our relationship with a partner in this project, namely the Trade Law Centre (tralac) over the years.

We trust that our relationship and this project in particular, will both continue to blossom unabated.

I therefore wish everyone happy reading.

Dr Bernd Althusmann
Resident Representative
Konrad Adenauer Foundation

Introduction

Trudi Hartzenberg

The southern African regional integration agenda is at an important juncture. While the broad development vision and objectives of both the Southern African Development Community (SADC) and the Southern African Customs Union (SACU) remain valid, it is an opportune time for new thinking about the pathways to achieve those development objectives. The defining features of the 21st century geopolitical, political-economy and broad economic landscape provide new challenges and require new policy approaches to achieve development outcomes.

Developments during the past year (2013/2014) are testimony to a process of appraisal of the existing integration models and the challenges of negotiating new pathways to development outcomes. In the context of African integration initiatives, there are key emerging themes. Concern about the loss of sovereignty, which manifests also in trade policy discussions as a concern about loss of policy space, is increasingly evident, especially as regards traditional border measures such as the import tariff. This fundamentally contradicts the linear model of regional integration. A systematic cession of tariff policy space, for example, is required when member states move from a free trade area (FTA) to a customs union as member states implement a common external tariff. Further along the linear model, a sacrifice of monetary policy space is required when a monetary union is established. What is increasingly clear is that safeguarding policy space is a major policy preoccupation, with very little appetite for concluding agreements that involve sacrifice of policy space.

A second important theme is the lack of compliance with commitments already undertaken. This raises questions about the rules-based nature of regional integration in Africa. Compliance is essential to ensure a transparent and predictable environment for investment, production and trade. Lack of compliance, or even reversal of tariff reductions, suggests that member states may not view regional integration arrangements as rules-based. An effective dispute